

**ASSEMBLY BILL**

**No. 783**

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**Introduced by Assembly Member Arambula**

February 22, 2007

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An act to amend Section 75022 of the Public Resources Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 783, as introduced, Arambula. Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006: small community drinking water system infrastructure improvements.

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 authorizes the issuance of bonds in the amount of \$5,388,000,000 for the purposes of financing a safe drinking water, water quality and supply, flood control, and resource protection program. Of these bond funds, the bond act makes available \$180,000,000 to the State Department of Public Health for grants for small community drinking water system infrastructure improvements and related actions to meet safe drinking water standards, including grants to finance feasibility studies and to meet the eligibility requirements for a construction grant. The bond act provides that eligible recipients for these grants include public agencies and incorporated mutual water companies that serve disadvantaged communities. The bond act makes these funds available to the department upon appropriation by the Legislature.

This bill would define, for that purpose, “public agency” to mean a local public agency that is a city, county, city and county, special district, corporation, or mutual water company.

The bill would require the department to develop a standard application form for predevelopment grant funding to finance feasibility studies and to meet eligibility requirements for a construction grant, as specified. The bill would provide that, of the described funds available for small community drinking water system infrastructure improvements, not more than \$5,000,000 may be allocated for predevelopment grants. The bill would provide that the total amount of predevelopment grant funding available to a single applicant may not exceed \$100,000. The bill would authorize predevelopment grant funds to be expended for specified purposes. The bill would require the applicant to complete work funded by a predevelopment grant, and to prepare and submit to the department a planning report for the project, not later than 18 months after the date on which the grant was approved.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 75022 of the Public Resources Code is  
2     amended to read:  
3     75022. (a) The sum of one hundred eighty million dollars  
4     (\$180,000,000) shall be available to the ~~Department of Health~~  
5     ~~Services~~ *State Department of Public Health* for grants for small  
6     community drinking water system infrastructure improvements  
7     and related actions to meet safe drinking water standards. Priority  
8     shall be given to projects that address chemical and nitrate  
9     contaminants, other health hazards and by whether the community  
10    is disadvantaged or severely disadvantaged. Special consideration  
11    shall be given to small communities with limited financial  
12    resources. Eligible recipients include public agencies and  
13    incorporated mutual water companies that serve disadvantaged  
14    communities. The ~~Department of Health Services~~ *State Department*  
15    *of Public Health* may make grants for the purpose of financing  
16    feasibility studies and to meet the eligibility requirements for a  
17    construction grant. Construction grants shall be limited to  
18    \$5,000,000 per project and not more than ~~twenty-five~~ 25 percent  
19    of a grant may be awarded in advance of actual expenditures. The  
20    ~~Department of Health Services~~ *State Department of Public Health*  
21    may expend up to \$5,000,000 of the funds allocated in this section  
22    for technical assistance to eligible communities.

1     (b) For the purpose of this section, “public agency” means a  
2     local public agency as defined in Section 10533 of the Water Code.

3     (c) For the purposes of this section, “predevelopment grant”  
4     means a grant awarded pursuant to subdivision (a) for feasibility  
5     studies and to meet the eligibility requirements for a construction  
6     grant.

7     (d) Predevelopment grants are subject to all of the following  
8     requirements:

9         (1) The State Department of Public Health shall develop a  
10         standard application form for predevelopment grant funding to  
11         identify whether an applicant is eligible for construction project  
12         funding under this section and to assess an applicant’s need for  
13         predevelopment grant funding. The State Department of Public  
14         Health shall use the completed application form to review requests  
15         for predevelopment grant funding.

16         (2) Of the funds described in subdivision (a), not more than five  
17         million dollars (\$5,000,000) may be allocated for predevelopment  
18         grants.

19         (3) The total amount of predevelopment grant funding available  
20         to a single applicant may not exceed one hundred thousand dollars  
21         (\$100,000).

22         (4) Predevelopment grant funds may be expended to pay costs  
23         for planning, studies, including feasibility studies for the  
24         consolidation of small community drinking water systems,  
25         preliminary engineering and design, state and federal  
26         environmental compliance, acquisition of land, easements, and  
27         rights-of-way, drilling of test wells, laboratory tests, legal and  
28         administrative fees, or any combination of these purposes.  
29         Predevelopment grant funds shall not be expended for detailed  
30         design, equipment purchase, or construction.

31         (5) The applicant shall complete work funded by a  
32         predevelopment grant, and prepare and submit to the State  
33         Department of Public Health a planning report for the project,  
34         not later than 18 months after the date on which the grant was  
35         approved.